

Verizon Communications India Private Limited  
Radisson Commercial Plaza  
A Wing, 3rd Floor, National Highway-08  
New Delhi 110037, India  
26.04.2012

Shri Arvind Kumar  
Advisor (I&FN)  
Telecom Regulatory Authority of India,  
Mahanagar Door Sanchar Bhawan,  
Jawahar Lal Nehru Marg,  
New Delhi – 110002

**Subject: Counter Comments to Response on TRAI Consultation Paper No.08/2012 on "Access Facilitation Charges and Co-location Charges at Cable Landing Stations" dated 22nd March 2012.**

**Ref: VCIPL response dated 19th April 2012 on Access Facilitation charges and colocation charges at cable landing stations dated 22nd March 2012.**

Respected Sir,

This is with reference to the captioned consultation paper (No. 08/2012) released by Hon'ble Authority and our detailed response submitted vide letter dated 19th April 2012. We are thankful to the Hon'ble Authority for placing the responses in the public domain which will allow stakeholders to provide further comments / counter comments on the responses received on the captioned consultation paper. Through our industry association "ACTO" we have provided counter comments on captioned consultation document which we fully support. We reiterate the comments as below:-

CLS Access and Colocation charges should not be left to market forces in India and should continue to be regulated. Due to reasons mentioned in our main response as well as response filed by ACTO we are of the view that there seems no justification for de-regulation of charges for access facilities at cable landing stations in India.

As has been rightly endorsed by industry stakeholders in their respective response the present cable landing station segment is highly concentrated and two significant OCLS together have 98% market share. The Significant Market powers control the essential/ bottleneck facility to access the international bandwidth under consortium system in India on fair and equitable basis. Therefore, present practice of regulating the CLS segment should continue till evolution of the market as per international benchmarking. Additionally since SMP's are vertically integrated players, there is a strong likelihood of abuse of dominant position and further cross subsidization between wholesale and retail services, to hamper effective competition in the international bandwidth segment.

Any further delay in the downward revision of CLS access charges would have adverse impact on ILDOs seeking CLS access and operators having capacities in these CLSs. These operators are presently unable to offer services on a competitive basis to the end users due to very high CLS access charges, as compared to SMP's.

From the analysis of data and responses of other stakeholders, it appears that CLS access charges are not cost based and are not reflecting the true costs for providing access facilities at cable landing station. It is requested that CLS access charges may be reduced substantially in view of the facts indicated in our response to the consultation paper.

Additionally we would like to bring to Hon'ble Authority's attention the recent results of the 2012 annual review of the operation and effectiveness of Telecommunications Trade Agreements under Section 1377 of the Omnibus Trade and Competitiveness Act of 1988 ("1377 Review") announced by the United States Trade Representative(USTR) . The Report of the 1377 Review identifies barriers facing U.S. telecommunications service and equipment suppliers as well as specific telecommunications-related issues on which USTR will focus its monitoring and enforcement efforts this year. The report focuses on broad range of issues and in specific the below

Quote

Access to Submarine Cable Systems

"Commenters in this year's Review again cite problems in obtaining competitive access in a timely fashion to cable landing stations (CLS) located in India. In past 1377 Reviews, USTR has urged the Telecommunications Regulatory Agency of India (TRAI) to conduct a public consultation to determine if there are deficiencies in the Reference Interconnection Offers (RIOs) submitted by the companies that control access to CLS. USTR commends TRAI for undertaking a review of current RIOs and looks forward to the results of the review, which should help ensure competitive access to submarine cables, which was India's goal when it decided to mandate non-discriminatory and reasonable access to these network facilities several years ago"

Unquote

Through this review the USTR seeks to ensure compliance by trade partners with trade agreements regarding telecommunications products and services (mainly, WTO and FTA commitments) by March 31 of each year. International trade agreements, including the WTO's General Agreement on Trade in Services (GATS) and U.S. free trade agreements, provide rules designed to ensure that companies have reasonable access to telecommunications networks, that competitive conditions are maintained, and that regulators act in a transparent and effective manner.

In light of the above we therefore urge the Hon'ble Authority to expedite the review of the AFC and CLC charges in compliance to India's commitment under the International Telecommunication Trade agreement . This would help ensure competitive access to submarine cables on fair and transparent basis by all stakeholders.

Regards

Priya Mahajan

Chief Counsel Public Policy & Regulatory Affairs, Legal & External Affairs | Verizon Enterprise Solutions

Tel: +91 1142818135 | Mob: +91 9873248663

Office Address 3rd Floor, Raddison Commercial Plaza, NH-08, New Delhi-37, India